

Briefing for Oireachtas Committee on Jobs, Enterprise and Innovation for their meeting with Northern Ireland Assembly Committee for Enterprise, Trade and Investment on 3rd November, 2014

INTERREG Programme

The INTERREG Programme is an EU Structural Fund Programme, managed by a body entitled the Special EU Programmes Body (SEUPB) – based in Belfast - which was specifically established under the Good Friday Agreement and enshrined in primary legislation here – the *British-Irish Agreement Act 1999* and corresponding UK legislation. This programme is specifically designated as being for ‘Northern Ireland and the Border Region of Ireland’ but part of Western Scotland can also benefit in certain circumstances. Like other INTERREG Programmes across Europe, it seeks to address the economic and social problems which result from the existence of borders. All activities funded under INTERREG must demonstrate a clear added value by being implemented on a cross border basis.

INTERREG IVA Programme

The INTERREG IVA programme, (75% EU funded), ran from 2008-2014 (can run into 2015 for finalisation). There were several strands e.g. transport, tourism, health, (in respect of which D’JEI was not involved) but one element was designed to promote enterprise and business development. A total of €70m was provided for that period, for that Enterprise strand, with the Department of Jobs, Enterprise and Innovation contributing about €18m over that period (the EU refund comes back to the Central Exchequer later, not to the sponsoring Department). Our co-funders from the N.I. Administration were either the Department of Enterprise, Trade and Investment or the Department of Finance and Personnel, depending on the exact nature of the individual projects. A total of 28 individual projects were involved. All had to have a genuine cross border element and amongst the bodies initiating projects were the County Enterprise Boards in the border counties, the equivalent Local Enterprise Agencies in N.I. and local development bodies (embracing organisations/councils on both sides of the border) which were set up specifically to tap into this programme. These projects include addressing barriers to trade faced by micro-enterprises in border counties, assisting with market entry support, developing cross border linkages, business support mentoring, capacity building for SMEs, and schemes for assisting specific enterprise sectors. The two most significant projects with a physical legacy were the provision of two multi million euro Science Parks (to encourage high-tech start-ups, more Research and Innovation etc.) in Derry (complete) and Letterkenny (due for completion in mid- 2015) and the provision of two new Enterprise Centres: in Omagh, Co Tyrone and in Carrick on Shannon, County Leitrim.

That 2008- 2014 Programme is now coming to an end and the EU have committed to a new programme, (2015-2020) to be known as INTERREG V. Internal processes have been completed and the draft Programme is now with the EU for adoption (likely in Spring 2015).

New INTERREG V Programme (2015-2020)

The total value of the new INTERREG Programme is expected to be €282 million, comprised of €240 million of EU funding and €42 million of matching funding, divided between Northern Ireland and Republic of Ireland in a ratio of 70:30. (this ratio will change if Scotland are involved in individual projects, but last time around, Scottish involvement generally was low. It means that the benefits of the Programme to the two jurisdictions will be roughly in the same 70:30 proportion (with an adjustment for any Scottish participation in some projects).

Four thematic priorities have been identified:

- Research and Innovation;
- Environment;
- Sustainable Transport; and
- Health.

D'JEI have no involvement in the latter three (being handled by the Departments of Environment, Transport and Health) but in respect of **Research and Innovation** we have agreed to be the 'Accountable Department' i.e. the one which pays the RoI contribution and is involved in the decision - making process on selecting projects and related administrative work. This time around the EU contribution will be 85% and the refund will eventually come back to the Accountable Departments.

Subject to EU approval, of that total of €282m, a sum of €71m is earmarked for the Research and Innovation theme, requiring a total contribution of €21.5m from D'JEI over the likely 8 year term of the programme. While the Programme is described as running from 2014 it will actually be 2015 before it starts and a residual wrap up period after 2020 brings the effective closure date to 2021. We are committed to 7 years of funding, i.e. approx. €3m each year.

Two elements are proposed -

1. The smaller of the two involves €18m to get SMEs involved in cross border Research and Innovation activity. This is a logical extension of some of the previous projects.
2. The major element involves a sum of €53m to be spent on cross border research programmes, i.e. the creation of 'Centres of Research Excellence' which will undertake research on two specific areas – '**Health and Life Sciences**' and '**Renewable Energy**'.

There is a requirement that the RoI partners have to be based in the Border region. Such bodies would then get into partnership with relevant N.I. Colleges or research bodies. D'JEI will work to ensure that potential RoI partners can become involved, and we will seek to ensure that, as far as possible, there will be spin-off benefits for the enterprise sector.